UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
Alfred D. Stedman, Assistant Administrator
Director, Division of Information and Records
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TO FARM JOURNAL EDITORS:

The following information is for your use.

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Specialists in Information.

OVER TWO-THIRDS OF CORN-HOG VOTERS FAVOR 1935 PROGRAM

The Adjustment Administration announced October 17 that approximately 69 percent of all producers voting in the corn-hog referendum meetings favored continuing adjustment through 1935, and that, in view of this substantial majority, a new corn-hog program definitely will be formulated and offered to producers as soon as possible.

With 41 States, including all of the principal corn and hog-growing areas, having reported approximate preliminary results, the referendum ballot stands 345,330 in favor and 153,181 dissenting on the development of a new program. In separate balloting, arranged at the option of local control association officials for those corn-hog farmers who did not sign 1934 contracts, approximately one-third of the non-signers voted in favor of a corn-hog plan for 1935, with the others voting no. The favorable vote among both signers and non-signers averaged about 67 percent of the combined total. Voting in most states was completed on October 12, the closing date.

The final official report of the outcome of the referendum in full detail is not ready, but it is estimated that about 500,000 contract signers or nearly half of the total number had voted by the closing date for the two weeks' series of meetings in practically all states.

A group of corn-hog committeemen and extension workers from 18 states, who arrived in Washington several days ago for a two-day conference on corn-hog administrative work and the 1935 outlook, unanimously recommended, after studying the preliminary results of the referendum, that the Administration offer a new adjustment contract. The development and offering of a program for 1935, on the basis of the referendum result, also was urged late last week by representatives of the Farmers' Union, the American Farm Bureau Federation and the National Grange.

"We hope to be able to announce the features of the 1935 plan about the first of November and to have the contract itself ready for the sign-up meetings before the Christmas holidays," said Dr. A. G. Black, Chief of the Administration's corn-hog section. "We are particularly interested in simplifying administrative procedure in order to eliminate unnecessary delays and to plug up holes that developed in working out the operations of the 1934 program."

A new corn-hog adjustment program, to follow the 1934 contract, is deemed advisable to prevent an excessive increase in corn acreage and production and in hog numbers over the next year or two. Indications are that present relatively high feed prices, resulting from the disastrous effects of the drought on supplies, will stimulate heavy planting next spring, in spite of the marked reduction in livestock numbers and hence in corn requirements, since a year ago. A return to the 1932-33 average of 105,500,000 planted acres and the usual resumption of normal acre yields following severe droughts, would result in a corn crop at least 550,000,000 bushels in excess of anticipated requirements.

Slaughter of hogs, the outlet for nearly one-half of the total annual corn crop, will be at least 30 percent under the average of recent years. As a result of the drought, cattle numbers by January 1, 1935, will be about 15 percent smaller than a year earlier. Thus, if an abnormally large corn crop should be harvested in 1935, corn prices would be low relative to livestock prices and an increase in livestock production to take advantage of the "cheap" corn would get under way. Assuming normal or near normal yields, a total corn acreage equal to the area planted in 1934 would meet expected requirements and would leave a substantial volume of corn for rebuilding reserves.

The preliminary results of the referendum vote to October 17 concerning the question of a one-contract-per-farm adjustment program to become effective in 1936 are as follows: Signers, in favor 227,789; dissenting, 188,008. Non-signers, in favor 8,442; dissenting, 18,030.

The question of a one-contract program was brought to the attention of corn-hog producers at the recommendation of producer representatives who have proposed that such a program be developed as soon as possible to supersede the several single-crop contracts.

A summary of preliminary reports on the referendum voting as tabulated up to date follows: Question No. 1 is: Do you favor an adjustment program for dealing with corn and hogs in 1935? Question No. 2 is: Do you favor a one-contract-per-farm adjustment program dealing with grains and livestock to become effective in 1936?

In announcing the figures, the Adjustment Administration explained that they are approximate and unofficial, that official, certified reports will be prepared later, but that these final figures are not likely to change materially the proportions of favorable and unfavorable votes cast. The figures are based on telegraphic and mail reports.

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MILK LICENSE FOR SOUTHERN ILLINOIS MINING REGION

At the request of agencies on the market, a license has been completed for the Southern Illinois milk sales area which includes a number of townships in Franklin, Williamson, Jackson and Perry counties. The license, signed by Secretary Wallace, will become effective November 1.

The base and surplus plan, without country receiving stations, with established prices to producers, no resale prices to consumers, and a market pool and adjustment fund supervised by a bonded market administrator are features of the license. Fred L. Shipley, St. Louis milk license administrator, will act as administrator for the Southern Illinois area for the present.

The license was requested by and supported at hearings by the Sanitary Milk Producers' Association, the Illinois Agricultural Association and several producer-distributors. Several distributors have since agreed to the license.

Class 1 milk, used for direct sale as whole milk, is scheduled in the license at $2 per 100 pounds of 4 percent milk f.o.b. distributors' plants, or about 4.3 cents a quart. It is deemed inadvisable to establish a higher price which would necessitate a retail price per quart greater than 10 cents under present conditions in the area. The license price compares with an average of about $1.73 per 100 pounds paid producers since January of this year. Drought conditions in the area, according to producers, have necessitated a higher price than formerly.

Class 2 milk, or that used to make cream for direct consumption and for all dairy products except butter, with flavored milk and buttermilk included, is established in the license at four times the average price of 92 score Chicago butter plus 30 cents per hundredweight, or about $1.29 per 100 pounds on the August butter price basis. Previous Class 2 prices have ranged from $1.10 to $1.21 during 1934. The Class 2 price approximates the return to producers at evaporating plants under the Federal agreement formula.

The price for Class 3 milk, or all excess above Classes 1 and 2, is established in the license at four times the current price of 92 score Chicago butter without any added differential, which would amount to about 99 cents per 100 pounds at the August butter market. It is also provided that a differential of 3 cents per 100 pounds will be added to or deducted from payments to producers on each one-tenth of 1 percent above or below the 4 percent test.

An optional quality premium system is allowed in the license to meet conditions already established, so as to secure a more uniform higher quality of milk supply. Distributors are permitted, if they desire, to pay 5 cents more per 100 pounds on all milk only to those producers who deliver milk which is above the average quality standards established by the methylene blue test, when tests are conducted under approval of the administrator. In cases where milk fails to meet the standard according to the average for the market, distributors are permitted to deduct a similar sum of 5 cents per hundredweight from payments to such producers.

Uniform deductions of 1 cent per hundredweight from all producers, includ-

ing producer-distributors, will be used to maintain the supervisory work of the administrator. Also, the market administrator will require a deduction of 3 cents per 100 pounds of milk in a separate fund for giving producers market services, such as information, check testing and credit protection. The license provides that the administrator may permit distributors to pay to any association of producers any such deductions if the administrator determines that such cooperative association is rendering similar market services properly, or he may employ any agency to perform the work for producers if he has access to the agency's books and records and gets regular reports on the use of the fund. The administrator may also waive all or part of the required deductions from producers when the fund is more than enough to do the work required, and in case any balance is left he may pro rate the money equitably back to the producers.

The usual duties and powers of the administrator afford protective and stabilizing features as defined in the license. He is empowered to examine in confidence the books and records of distributors to verify statements made on buying and selling milk; he may require bonds or periodic advance deposits from distributors to guarantee prompt payment for milk; and he is permitted to establish a reserve fund to use when payments by distributors to the adjustment account are not regularly made.

Prior contracts entered into by distributors with producers are superseded by the terms of the license, if they conflict. Distributors may not transact business with known violators of the license. The market administrator will not only set up an adjustment fund to equalize the position of all dealers on the market with respect to payments for milk, but he will require regular reports on purchases and sales by classes and determine the blended price for producers on the basis of their delivered bases. He will also have general supervision of bases for producers.

Producer-distributors are exempt from the pool on sales they make which are not in excess of established bases. Their sales in excess of such bases are charged first against Class 3 sales, and then, in turn, against Classes 2 and 1 sales. Payments of the difference between the Class 3 price and the Classes 1 and 2 prices on the amount of excess over their bases sold in Class 1 and Class 2 are required from them to the pool fund. Regardless of base or excess amounts, all their sales to other dealers in bulk must be accounted for at the Class 3 price. The license also permits producer-distributors to have all their sales put into a pool if they so desire.

The sales area named in the license contains the following townships in the respective counties: Byron, Browning, Six Mile, Denning, west half of Benton and Frankfort respectively, in Franklin County; Blairville, Herrin, West Marion, Castonville, and the west half of Lake Creek and East Marion townships in Williamson County; Carbondale, Murphysboro, De Soto, Elk and six sections of Somerset township in Jackson County; and all the territory inside of the five-mile radius of the Duquoin city hall in Perry County.

In the area the non-farm population is about 100,000 persons and those in rural areas comprise about 26,000 persons. About 20 percent of the people are engaged in mining, but of these a large number are on public relief rolls. Milk for unemployed families has been furnished through the qualified welfare agencies by dealers at the straight retail price of 10 cents per quart.

# # #

HEARING ON MILK LICENSE FOR DUBUQUE, IOWA

A public hearing on a proposed license for the Dubuque, Iowa, milk sales area will be held October 26 at Dubuque, Iowa, by the Agricultural Adjustment Administration, at the request of the Dubuque Cooperative Dairy Marketing Association, representing about 300 producers selling fully 60 percent of the total volume of the milk supply.

The population of the sales area is approximately 62,000 persons, including all of the city itself and the territory in Dubuque county. The prices paid producers through the market's cooperative association's pool during July and August was 95 cents per 100 pounds, or a trifle over 2 cents a quart. While the prevailing retail price delivered to homes is 8 cents a quart, some milk is being offered for as low as 5 cents a quart.

The proposed license includes an equalization pool, providing for a blended price to all producers, and providing that all distributors will pay the same price for milk which is used in the same class. Prices to producers and other details of the license will be developed at the hearing.

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FORT WORTH, TEXAS, MILK LICENSE AMENDED

An amendment to the license for the Fort Worth, Texas, milk sales area, which broadens the territory covered by the license and changes minimum prices, has been signed by Secretary Wallace. It became effective October 17. Recommendations for the changes were made by a representative of the dairy section of the Adjustment Administration, who at Fort Worth investigated opportunities for improvement of the license to meet practical needs of the market.

The amendment specifies that the sales area will include, in addition to the corporate limits of Fort Worth, all the territory within three precincts of Tarrant County. This additional territory includes about 22,600 persons, making the total combined population of the sales area about 186,000.

The minimum resale price schedule of the license has been amended to include minimum prices on two classes of milk instead of one. Schedules are now provided for milk testing 4.3 percent butterfat or less and for that which tests more than 4.3 percent. Practically half of the milk sold in the area by pasteurizing companies and nearly all of the milk sold by producer-distributors, tests more than 4.3 percent.

The minimum schedule for milk of over 4.3 percent fat provides that retail milk will sell for not less than 10 cents a quart bottled and wholesale milk for not less than 9 cents a quart, an advance of 1 cent a quart. Corresponding increases are allowed on pints, from 4-1/2 to 5 cents, at wholesale and 5 to 5-1/2 cents at retail. Resale prices on bulk milk are lowered from 28 cents to 26 cents a gallon on milk testing 4.3 percent fat or less. The minimum resale prices on bottled milk in the 4.3 percent fat class remain the same as in the original license, namely, 8 cents a quart, 4-1/2 cents a pint wholesale, and 9 cents a quart and 5 cents a pint retail.

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CHANGES IN SAVANNAH, GEORGIA, MILK LICENSE

An amended license for the Savannah, Ga., milk sales area changes the classifications and the price of milk in certain classes. It became effective October 15. The amended license is based on operating experience in the market, and seeks certain adjustments to improve local market conditions.

The Class 1 price for milk, f.o.b. the city, remains the same as previously at 28 cents a gallon. Ice cream and buttermilk have been taken out of Class 3 and placed in Class 2. The price for Class 2 milk has been lowered 1 cent a gallon, to meet outside cream competition. This has been accomplished by removing the 1-cent differential per gallon above the quoted price for Chicago 92 score butter plus 25 percent.

The price for Class 3 milk has also been reduced 1 cent a gallon by making the differential 3 cents instead of 4 cents a gallon above the Chicago 92 score butter price. The reduction in the Class 3 price is due to the shift of ice cream and buttermilk from Class 3 to Class 2, which leaves only plant return milk and plant losses in Class 3 at present production. While the prices appear to be lower, the effect will probably be to yield better net returns to producers because enough extra milk will be moved from Class 3 into Class 2 to offset the lower prices and dealers will tend to use more local milk for cream purposes. It is also likely that wholesale producers will get a somewhat higher blended price as a result of the shift in classes.

Provisions relating to producers who distribute milk of their own production have also been changed. The bases for producer-distributors will be set on their combined Class 1 and Class 2 sales rather than on Class 1 sales only. Sales which they make to other distributors must be on the Class 3 price basis, but any excess milk above their bases will be deducted in turn from Class 3, Class 2 and Class 1 sales in relation to the pool account. This change was made to correct hardships on producer-distributors who sell a large amount of their milk to pasteurizing distributors.

The market administrator, according to the amended license, will be allowed to set all producers' established bases to correspond with pasteurizing distributors' Class 1 sales. This will permit producers to deliver an amount of milk approximately equivalent to Class 1 sales by distributors, which means that they will not need to market Class 2 milk if they believe it to be unprofitable. The change was made at the request of wholesale producers.

Minimum resale prices are eliminated from the license as amended. This action was taken at the request of agencies on the market, although a number of producer-distributors handle a large volume of milk. The absence of any minimum schedule of prices to consumers means that competing forces will establish the schedule, as they see fit, with the provision that the established price to producers must be observed.

Time limits on distributors' reports, calculation of the blended price to producers and payments to producers have been reduced in the amended license. The date of payment will be the tenth day of the succeeding delivery period instead of the fifteenth day, as before.

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CLASS 1 MILK PRICES CHANGED IN QUAD CITIES

On recommendation by producers and distributors serving the milk sales area of the Quad Cities of Illinois and Iowa, a reduction in the price for Class 1 milk from $1.85 to $1.70 per 100 pounds of 3.5 percent milk has been granted by the Adjustment Administration in an amendment to the existing license for the area. The amendment, signed by Secretary Wallace, will go into effect October 22.

The original license for the area which includes Davenport and Bettendorf, Iowa, and Moline, East Moline and Rock Island, Ill., became effective June 1, 1934. It provided for an advance of 75 cents per 100 pounds of 3.5 percent milk above the Class 1 price received by producers prior to any license. The Class 1 price before the license went into effect was about 85 cents per 100 pounds, f.o.b. the city plants. The 75-cent advance in price to farmers on all Class 1 milk distributed on the market continued in effect until September 1, or for 92 days. On September 1 an amended license was issued with an advance price to producers of 25 cents per 100 pounds, making the Class 1 price $1.85. Severe drought conditions and a firm butter market warranted the increase at that time. Since the increased price became effective rains have revived pastures and to some extent restored available feed supplies. The agencies on the market have therefore decided to drop back to $1.70 per 100 pounds, which is 85 cents more than farmers received prior to the license, or exactly twice the 1933 producers' price for bottled milk sold to consumers.

The amendment to the license does not alter the schedule prices on Classes 2 and 3 milk, which remain based on the Chicago butter market.

No change is made in the schedule of minimum resale prices, owing to the fact that the reduction to producers is only 15 cents per 100 pounds or about one-third of a cent per quart. Delivered milk at retail has been selling for 9 cents a quart, while minimum prices named in the license are 8 cents a quart for milk testing 3.9 percent fat or less and 8-1/2 cents a quart for milk testing 4 percent fat or more. The lower price to producers, it is believed, will not actually increase the margin to distributors because of the highly competitive situation, the large number of producer-distributors and the high percentage of milk which is sold at wholesale.

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COTTON PROGRAM TO CONTINUE IN 1935 SEASON

Secretary Wallace has announced that the cotton adjustment program will continue into the 1935 season. This announcement was made in order that the more than 1,000,000 cotton farmers who signed 1934 and 1935 cotton contracts can proceed with their farming plans for the next season with full assurance that the voluntary cotton adjustment program will be made effective for 1935 under the terms of the two-year contracts.

It was emphasized by officials of the Adjustment Administration that the Secretary's announcement did not constitute the formal proclamation which the cotton contract required. It is assurance that by December 1 such a proclamation will be issued.

The contract signed by cotton producers is restricted to the 1934 season "unless the Secretary shall, not later than December 1, 1934, proclaim his purpose of continuing the Cotton Acreage Reduction Plan for 1935." It is further provided in the contract that such a proclamation shall state the percentage of reduction required for 1935.

The cotton section of the Adjustment Administration is engaged in developing the details of the 1935 program. These include the amount of reduction in acreage to be required and the amount and manner of rental and parity payments to be made. The complete details of the 1935 adjustment program will be announced as soon as they are completed and approved.

Under the terms of the contracts with producers, the maximum acreage reduction which can be required is 25 per cent of the base acreage which is the average of the five years, 1928-1932. It was pointed out that since this compares with a 35 to 45 per cent reduction below the base acreage this year, which averaged 40 per cent, it means that contract signers may plant an average of at least 25 per cent more acres in cotton in 1935 than they planted this year. As an example, a contract signer with a base acreage of 100 acres who planted 60 acres of cotton under his contract for the 1935 season may plant at least 75 acres next year, the 15 acre increase being 25 per cent more than this year's planting.

C. A. Cobb, chief of the cotton production section, stated that details of the 1935 program were being developed as rapidly as possible. "We are canvassing the entire situation," he said, "and obtaining all available data on the outlook for domestic and foreign consumption. The details of the 1935 program will be based on this thorough study that is now under way." Factors being considering, include the outlook for exports. The program will be fashioned with all facts in mind and in accordance with the purposes of the Agricultural Adjustment Act to balance supply with probable demand.

It was stated that an important phase of the 1935 program would be to offer cotton producers who did not sign the 1934-1935 contracts an opportunity to sign a contract covering the 1935 season.

In addition to enabling farmers who are cooperating in programs to make their cropping plans for 1935, the preliminary announcement that adjustment would continue was made in order to prevent any misunderstanding of the relationship between the voluntary cotton adjustment program and the Bankhead Cotton Marketing Act. The latter will become effective for its second year if the President finds

and proclaims that the cotton production and marketing emergency continues or is likely to continue, and if the Secretary of Agriculture determines that two-thirds of cotton producers favor the continuance of the Act.

Any expression of producers' opinion which may be asked in connection with the Bankhead Act will not affect the Adjustment Administration's obligations under the adjustment contracts, it was pointed out. Plans are under way to give producers an opportunity to express their opinion on the Bankhead Act for 1935 but, it was emphasized, regardless of the decision of producers as to that supplementary form of control, the voluntary adjustment program will be continued into 1935.

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SURPLUS TAX-EXEMPTION COTTON CERTIFICATES FOR 638,260 BALES

Orders received by the national surplus cotton tax exemption certificate pool to October 15 for surplus certificates are equivalent to 638,260 bales of cotton, with indications that the total demand may be equivalent to as much as 750,000 bales, the Adjustment Administration has announced.

On all of these orders, the purchases expect to pay 4 cents a pound, the rate fixed by Secretary Wallace several weeks ago as the standard selling price for surplus certificates purchased through the national pool.

In order to meet this demand, all county assistants in cotton adjustment in those counties having an excess of surplus of tax-exemption certificates were requested by Cully A. Cobb, chief of the cotton production section of the Adjustment Administration to devote their entire time for three days, beginning Wednesday, October 17, in aiding the surrender of surplus certificates to the national pool.

Likewise, producers having a surplus of tax-exemption certificates are being requested to surrender their surplus certificates to the pool through their county assistants. Producers will be paid approximately $20 a bale for all certificates <u>sold</u> through the pool. When the pool is liquidated, each producer will be returned his share of any certificates the pool does not sell. These may be used next year, in the event the Bankhead Act is made effective for 1935.

E. L. Deal, manager of the pool, empahsized that the cost of handling certificates through the pool would be a fraction of a cent a pound and that the pool will be closed and payments made just as soon as all producers having a surplus have had an opportunity to surrender their certificates and all prospective purchasers have had an opportunity to buy.

In commenting upon the unusual demand for certificates, Mr. Deal said that the demand for certificates is not to be construed as indicating the size of the crop. For example, the state of Texas, according to the October 8 crop estimate, shows a production of 2,345,000 bales, as against an allotment under the Bankhead act of 3,237,530 bales. This would seem to indicate that surplus certificates equivalent to 892,530 bales would be subject to transfer from Texas, whereas actua requests from Texas to the National surplus certificate pool already have approximated the equivalent of 100,000 bales.

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TAX CERTIFICATE COTTON POOL TO BE CLOSED NOVEMBER 10

Tentative plans for closing the surplus cotton tax-exemption certificate pool for the receipt of surplus certificates on November 10 have been announced by the Agricultural Adjustment Administration. Purchase of certificates from the pool, it was emphasized, would continue so long as the pool had certificates on hand.

E. L. Deal, manager of the pool, said it was felt that all holders of surplus certificates who wish to turn them into the pool will have had that opportunity by November 10. State allotment boards have been urged to assist producers who wish to turn in surplus certificates to the pool.

"Because we have tentatively selected a final date for receiving surplus certificates," Mr. Deal said, "it is now more urgent than ever that producers speed up the surrender of any certificates they wish to offer for sale through the pool."

The pool has on hand orders for many more certificates than it is able to fill, Mr. Deal said. On all of these orders, the purchasers expect to pay 4 cents a pound, the rate fixed by Secretary Wallace as the standard selling price for surplus certificates purchased through the national pool.

Producers will be paid approximately $20 a bale for all certificates sold through the pool. When the pool is liquidated, each producer will be returned his share of any certificates the pool does not sell. These may be used next year if the Bankhead Act is effective for 1935.

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PROCEDURE FOR LOST COTTON CERTIFICATES

Producers who have lost their participation trust certificates in the Cotton Producers' Pool of the Adjustment Administration may obtain an additional advance of 2 cents a pound or offer their certificates to the pool for sale without delay, despite the loss of the certificates, under a plan announced by Oscar Johnston, manager of the pool.

Producers who have lost their participation certificates--and requests for duplicates indicate that a large number have been misplaced or destroyed--must execute an affidavit on a form furnished by the Adjustment Administration in order to receive duplicates. If a producer has transferred his trust certificate to some other person who has lost it, both the producer and the person to whom the participation trust certificate was transferred must execute affidavits on forms furnished by the Administration that the certificate was lost. But if either wants to apply for an additional advance of 2 cents a pound or offer certificates to the pool for sale, but has lost the certificate, the affidavit or affidavits may be attached to the loan application blank or the offer to sell form. In this way, both matters will be handled in Washington at the same time and it will not be necessary to receive a duplicate certificate in advance. Of course, if investigation should show that the request for a duplicate certificate should not be granted the loan application or the offer to sell would be turned down.

In cases of lost participation trust certificates, the owner of the certificate should contact his county agent for the necessary forms. County agents are sent these forms only upon request. If not available locally, they may be obtained from the Claims Section, Office of the Comptroller, Agricultural Adjustment Administration, Washington, D. C. All county agents have been sent forms which must be filled out if holders of participation trust certificates wish to obtain an additional advance of 2 cents a pound on their pooled cotton or if they wish to offer to sell.

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TO CERTIFY SUGAR IMPORTED FOR U. S. CONSUMPTION

In connection with the recent announcement of sugar quotas for foreign countries other than Cuba, the Adjustment Administration has announced that such sugars, in order to be entered for consumption in continental United States, should obtain certification from the Sugar Section of the Adjustment Administration that such entry is within the sugar quotas established by the Secretary of Agriculture under General Sugar Quota Regulations, Series One, Supplement One, dated October 9, 1934.

Those desiring to enter or withdraw such sugars from bonded warehouses should contact the Sugar Section of the Adjustment Administration stating the quantity to be entered or withdrawn, type of sugar, and country of origin.

Owners or agents of full-duty sugars who, pursuant to General Sugar Order, Number One, dated August 21, 1934, desire to give bond to the effect that the sugar is to be entered for subsequent reexport and not for domestic consumption are not affected by this requirement.

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TEXAS CITRUS LICENSE AMENDED TO CONTROL SHIPMENTS

A substitution for article 4 of the marketing agreement for the Texas citrus industry, and an amendment substituting for article 4 of the Texas citrus industry license, have been signed by Secretary Wallace, and will become effective October 21. The changes provide for volume proration, regulation of the shipment of undesirable grades and sizes of oranges and grapefruit grown in Texas, and the issuance of certificates to growers as a basis for allotments to shippers.

The control committee will estimate the quantity of fruit produced by each grower and issue certificates which shall specify the estimated number of boxes produced. These certificates may be transferred to the shipper or shippers handling the grower's fruit and are to be filed with the control committee as evidence of the portion of the crop the shipper controls.

The basis of proration of shipments is the quantity of fruit controlled by the shipper of his current performance, depending on which rating is higher. The current performance of a shipper is to be determined by taking the shipper's past performance during a basic period, adjusting it to the current crop, and multiplying by the percentage of the crop remaining to be shipped prior to the proration period. The transfer of allotments to shippers can be made only through the control committee.

The control committee is permitted to limit the grades and sizes of fruit to be shipped during any proration period. However, if a grower cannot ship a percentage of his crop equal to the average percentage shipped by all growers he may apply to the control committee for exemption after two-thirds of the estimated crop of any variety or group of varieties has been shipped. In the event that his claim is approved, the control committee will issue a special certificate to the grower which will permit the shipment of the stated quantity without regard to grade or size regulations.

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FLORIDA CITRUS AGREEMENT TENTATIVELY APPROVED

A marketing agreement for the citrus industry of Florida has been tenatively approved by Secretary Wallace, and is being sent to the industry for signature, the Adjustment Administration has announced. The agreement provides for two plans for proration to auction markets in addition to volume proration. The basis of allotments to shippers is the quantity of fruit controlled by the shipper or his current performance, depending on which rating is higher. The current performance of a shipper is to be determined by taking the shipper's past performance during the two previous seasons, adjusting it to the current crop, and multiplying by the percentage of the crop remaining to be shipped prior to the proration period.

Under the agreement, the control committee may limit the shipments of fruit inferior to U. S. No. 2 grade and fruit of specified sizes. Provision is made that after two-thirds of the crop has been shipped any grower may apply for exemption from grade and size restrictions, provided he has not been able to ship the same percentage as the average permitted to move.

The first plan for poration to auction markets is to be used only in connection with a volume prorate. The basis of a shipper's allotment to the auction markets would be the percentage of his total shipments shipped to each auction market in the past two seasons. The second plan, to be used only when volume prorate is not in effect, can be made effective only with the prior approval of the Secretary. Under this plan an allotment to a shipper is based on (a) the trend of his shipments to a particular auction market by each shipper during the previous two seasons, (b) the total quantity of fruit owned or controlled by the shipper, and (c) the total which he owned or shipped during the previous season.

The tentatively approved agreement also specifies that the daily reports of individual shippers shall be available to the control committee in so far as such information is necessary to enable the control committee to carry on its duties. All information furnished to the control committee would be available for examination to any shipper or grower and might be published by the control committee. The agreement also provides for participation in the national stabilization program for all citrus areas in the United States and Puerto Rico.

The control committee, to serve until August 1, 1935, consists of seven growers and six shippers. The grower-members were selected by the Secretary, and are named in the agreement as follows: George B. Aycrigg, Winter Haven; John S. Taylor, Largo; Harry L. Borland, Ocala; Hudson J. McReynolds, Orlando; I.A. Yarnell Lake Wales; A. W. Young, Vero Beach; Francis P. Whitehair, Deland. The six shippers are named in the agreement as follows: L. L. Lowry, Tampa, and C. C. Commander, Tampa, selected by the Florida Citrus Exchange; W. H. Mouser, Orlando;

and Charles Stewart, Frostproof, selected by the shippers affiliated with the Florida Citrus Growers' Clearing House Association; and L. C. Edwards, Tampa, and Harry L. Askew, Lakeland, selected by the shippers not affiliated with either organization.

The alternates for the control committee are named as follows: The grower-members' alternates are H. E. Cornell, Winter Haven; Marvin H. Walker, Tampa; A. F. Picard, Lakeland; E. W. Vickers, Sebastian; James M. Tillman, Lake Wales; William T. Bland, Lake Gem; and C. E. Stewart, Deland. The shipper alternates are Frank G. Clark, Indian River City, and E. E. Patterson, Tampa, selected by the Florida Citrus Exchange; J. C. Chase, Winter Park, and L. P. Kirkland, Auburndale, selected by the Florida Citrus Growers' Clearing House Association; and W. G. Roe, Winter Haven, and J. J. Parrish, Titusville, selected by the shippers not affiliated with either organization.

After August 1, 1935, shipper members are to be selected on the basis of volume shipped the previous season. Any shipper or group of shippers who shipped not less than one-sixth of the total volume shipped during the previous season may apply to the Secretary for designation as an elective body and may elect one shipper member to the control committee for each one-sixth of the total volume shipped. Seven grower members are to be selected by the Secretary from six districts designated in the agreement. Each district is to have one grower member with the exception of the fourth district, composed of Polk and Osceola counties, which is to have two grower members on the control committee.

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LAND USE IN RELATION AGRICULTURAL ADJUSTMENT

In concluding an address on this subject before the extension conference at Iowa State College on October 18, H. R. Tolley, Assistant Administrator of the Agricultural Adjustment Act and Director of the Program Planning Division said:

"The program of land use and the related one of community building necessarily look to the long future. Progress made in these directions, along with further general recovery and the revival of foreign trade, will lessen the need for severely restrictive adjustment of farm production on good land. Already the emergency phase of adjustment is passing into the long-time phase. Instead of making drastic reduction in crop acreage, as was necessary in 1933, farmers now need to shape their plans only to keep cultivated acreage from increasing too much.

"What we are witnessing is a shift, in the areas of fertile land, from an intensive type of farming to a more extensive one, with increased acreages of pasture, forage, soil improvement crops and wood lots. This is desirable not only to gain the proper economic balance, but as a means of better livestock feeding and conservation of soil fertility. I understand that studies by specialists at Iowa State College have shown that good farm management in Iowa would call for less land in corn and more in pasture.

"Progress made thus far under the Agricultural Adjustment Act and other New Deal measures shows that the American people can largely shape their own destiny if they will. This is the only kind of 'planned economy' possible in a democracy. The planning which Americans are now doing is not the kind which involves dictation and regimentation from above, but rather the provision for their common future which comes when people sit down together and think out their own affairs."

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FARM WAGE RATES OCTOBER 1

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Based on reports to the Division of Crop and Livestock Estimates of the Bureau of Agricultural Economics, the estimated farm wage rates, by geographic divisions, on October 1, 1934, with comparisons, were as follows:

Geographic Divisions	Annual average 1910-14	July 1, 1933	October 1, 1933	July 1, 1934	October 1, 1934
FARM WAGE RATES	Dollars	Dollars	Dollars	Dollars	Dollars
Per month with board					
New England	24.23	24.73	27.28	27.52	27.07
Middle Atlantic	22.08	21.18	22.36	23.17	23.17
East North Central	23.79	17.03	17.61	19.24	19.74
West North Central	26.02	17.26	17.52	19.26	19.17
South Atlantic	14.65	11.53	13.06	13.71	14.45
East South Central	14.65	11.01	12.00	13.09	13.21
West South Central	17.65	13.08	15.78	15.67	16.20
Mountain	32.36	24.17	25.88	28.08	28.95
Pacific	33.33	28.29	30.30	31.46	33.62
Per Month without board					
New England	37.54	42.87	45.79	48.12	47.68
Middle Atlantic	33.19	34.51	36.13	37.49	37.64
East North Central	32.86	25.71	26.80	28.48	28.83
West North Central	36.45	25.89	26.32	27.69	27.56
South Atlantic	20.96	17.52	19.46	20.41	21.20
East South Central	20.72	16.05	17.09	18.46	19.40
West South Central	25.33	19.57	22.43	22.98	23.45
Mountain	46.15	35.52	36.53	41.02	41.26
Pacific	27.97	46.27	49.04	51.39	53.68
Per day with board					
New England	1.27	1.37	1.54	1.62	1.61
Middle Atlantic	1.23	1.25	1.31	1.39	1.46
East North Central	1.31	.96	1.00	1.08	1.13
West North Central	1.44	.92	.98	1.03	1.04
South Atlantic	.81	.60	.70	.76	.77
East South Central	.81	.55	.62	.65	.69
West South Central	.99	.67	.80	.82	.82
Mountain	1.50	1.08	1.24	1.31	1.35
Pacific	1.50	1.21	1.36	1.56	1.57
Per day without board					
New England	1.71	1.96	2.17	2.27	2.29
Middle Atlantic	1.62	1.73	1.82	1.95	1.98
East North Central	1.68	1.31	1.38	1.43	1.49
West North Central	1.85	1.27	1.35	1.41	1.44
South Atlantic	1.05	.79	.91	.97	1.02
East South Central	1.04	.73	.83	.86	.89
West South Central	1.26	.87	1.03	1.01	1.06
Mountain	2.04	1.51	1.62	1.78	1.85
Pacific	2.06	1.79	2.06	2.23	2.30